



**FORT MYERS BEACH
CHARTER REVIEW COMMISSION (CRC)
MINUTES**

Town Hall – Council Chambers
2523 Estero Boulevard
Fort Myers Beach, Florida 33931

Thursday, November 13, 2014

I. CALL TO ORDER

The meeting was called to order at 9:00 a.m. Chair Babcock. Members present: Tom Babcock, Miffie Greer, Dan Hughes, Jay Light, and Dan Parker.

Town Attorney: Derek Rooney

Town Manager: Don Stilwell

Staff Liaison: Amy Baker, Contracts Manager

Council Liaison: Rexann Hosafros

Director of Administrative Services: Maureen Rischitelli

II. PLEDGE OF ALLEGIANCE

III. PUBLIC COMMENT

No public comment.

IV. APPROVAL OF MINUTES of October 23, 2014

Change the sentence on page 2 to read: Town Attorney Rooney stated that he would confirm that the language was not ~~mirrored~~ redundant.

Section 4.12 Rules and journal should read: Consensus was reached to delete the word "journal" **and make reference to the policy and procedures manual.**

Section 5.03 Terms of office should read: The terms for all council seats, #1, #2, #3, #4, and #5, shall be for **4** years.

MOTION: Mr. Hughes moved to approve the minutes as amended; second by Ms. Greer.

VOTE: Motion passed unanimously.

V. ARTICLE XI: FINANCIAL PROCEDURES

Section 11.01 - Fiscal year - no change.

Section 11.02 Submission of budget and budget message - Mr. Steele, Audit Committee member, questioned whether the budget approved by Town Council was reviewed and approved by the State of Florida. Town Manager Stilwell replied that it was reported to the State, but they did not have to approve it.

Chair Babcock questioned whether it was appropriate to include a limit on reserves as part of the charter. Town Attorney Rooney cautioned against using language regarding a reserves policy in the charter. He indicated the language could be adopted by ordinance. Town Manager Stilwell commented that he did not believe the Town had a policy regarding reserves. Consensus was reached that it was not appropriate to include a policy on reserves in the charter.

Section 11.03 Council action on the budget - Chair Babcock read sections of the Florida Municipal Official's Manual for discussion. Town Attorney Rooney explained the constitutional principle was that local governments in Florida could not pledge their ad valorem revenues (general obligation bond) without a referendum. The Town could issue a revenue bond based on revenues only without a referendum. Town Attorney Rooney indicated the charter stated that no debt over three years in any form can be done without a referendum. Mr. Hughes remarked the state's constitution prohibits it on a general obligation bond and the Town's charter prohibited it on a revenue bond. Chair Babcock noted the constitution required a referendum on ad valorem bonds or general obligation bonds, but not for revenue bonds, improvement bonds, or refund bonds.

Jim Rodwell, Chair of the Audit Committee, revealed the Audit Committee reached consensus that section (b) needed to be rewritten for two reasons: the crippling restriction of repayment of debt in excess of three years and the failure to distinguish between the types of municipal debt that should be treated differently. Mr. Rodwell identified and explained three kinds of debt that municipalities incur - a general obligation debt, a revenue debt, and a special assessment. He provided examples of each type of debt as it related to the Town. Mr. Rodwell indicated that a possible consideration could be a requirement of an ordinance on debt management policies and procedures that would go into the treatment of public debt in greater detail.

Mr. Hughes felt the restriction on revenue bonds should be eliminated. ~~Ms. Greer did not agree and felt it should be clear up front.~~ Chair Babcock heard suggestions to remove restrictions for ad valorem debt and place a cap on amount and terms. Mr. Rodwell stated that another state had a cap under general obligation, but they exempted anything related to their water utility debt. He thought that revenue bonds with a revenue stream would also be exempt from that kind of debt.

Mr. Steele read and explained the following draft: Any issuances of ^{general obligation} debt greater than 12 months requires a referendum. Length of debt service cannot exceed the life of the asset or 20 years, whichever is less. The total amount of outstanding debt cannot exceed 5% of the Town's taxable value. Discussion ensued.

Town Attorney Rooney stated that if they wanted to find a limitation on debt, an analysis should be made on what could be borrowed. Mr. Hughes revealed that the Audit Committee would be willing to

research the numbers and bring more detail back to the CRC. Chair Babcock stated that two options for the Audit Committee to look at were the implications of removing the section and to define limitations. Ms. Hosafros suggested repeating the language from the state constitution so people would be educated that restrictions were in place. Mr. Light proposed to add, "as outlined in chapter, verse of the state constitution," instead of duplicating the portion. Town Attorney Rooney stated transparency was the easiest way to deal with debt and he would look into language to replace Section 11.03 (b). Ms. Greer remarked that it was critical to make the charter clear and user friendly.

Mr. Hughes summed up the discussion with three issues for consideration: term of an issue, possible limitation on the total percentage of assessed valuation, and a supermajority vote on the Town Council. Town Rooney recommended adding language that the Town Council shall develop a debt policy by ordinance. Chair Babcock asked Mr. Rodwell to generate a list of pros and cons.

Town Manager Stilwell addressed compensation for council members. He commented that he thought compensation had not been adjusted since 2001 and felt that a formula would work. Mr. Parker remarked that a base salary could be established and officials would receive pay raises the same as employees. Discussion was held concerning COLA, recommendations from 10 years ago, creating evaluations, performance-based increases, assessments, referendum, effective date, policy versus charter, averages based on surrounding towns, and taking the decision out of council's hands. Consensus was reached to move forward. Town Attorney Rooney offered to come back with formulas. Town Manager Stilwell offered to research formulas and recap what other jurisdictions offered.

SEE ATTACHED ADDENDUM
Section 11.04 Public records - no change.

Section 11.05 - Budget amendments

(a) Supplemental Appropriations - reserves were discussed. Consensus was reached to recommend that Council develop a policy and not include it in the charter.

(b) Emergency Appropriations - no change.

(c) Reduction of Appropriations - delete "or minimize" from the last sentence.

(d) Transfer of Appropriations - no change.

VI. ARTICLE VI: TOWN MANAGER

Section 6.01 Appointment and qualifications - The council shall appoint a town manager. ~~for an indefinite term and fix compensation.~~

Section 6.02 Removal - The council may remove the town manager for any reason by affirmative vote **of three members** of the council.

Discussion was held regarding a residency requirement.

VII. ARTICLE VII: TOWN CLERK

No change.

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VIII. ARTICLE VIII: TOWN ATTORNEY

No change.

IX. ARTICLE IX: ADMINISTRATIVE DEPARTMENTS

No change.

X. ARTICLE X: ORDINANCES AND RESOLUTIONS

Section 10.01 - no change.

Section 10.02 Adoption of ordinances

(a) Town Attorney Rooney pointed out that the requirement to introduce general ordinances on at least two separate council meeting days was one step above what state law required. Mr. Hughes felt that two separate hearings were unnecessary for general ordinances. Town Attorney Rooney clarified that any ordinance that changed listed uses permitted on a piece of property would require two hearings.

(b) Town Attorney Rooney indicated he would provide language that would include, "emergency ordinances as provided by general law."

XI. MEMBERS' ITEMS

Chair Babcock discussed logging changes, action items, a summary, and establishing priorities. Town Attorney Rooney provided a summary of state law regarding a canvassing board.

XII. SET NEXT AGENDA - Thursday, December 11 at 9:00 a.m.

Remainder of charter.

XIII. ADJOURNMENT

Chair Babcock adjourned the meeting at 12:00 p.m.

Adopted 12-11-14 With Without changes. Motion by Kear/Hughes
Vote: 5-0 Pg 2, Pg 3

- End of document



11/13
Jim Hcele

ADDENDUM

Section 11.03 (b) The maximum amount of debt that can be authorized by the Council is limited by the following.

1. General obligation (GO) debt

> 12 mos

- (a) Any issuance on debt ~~that is less than \$1.0 million requires three votes and any issuance of debt of \$1.0 million or greater requires four votes or a referendum.~~
- (b) Length of debt service cannot exceed the life of asset or 20 years which ever is less.
- (c) The total amount of outstanding debt cannot exceed 5% of the Town's taxable value.

2. Revenue debt

- (a) Any issuance of debt requires three votes by Council
- (b) Length of debt service cannot exceed the life of asset or 20 years which ever is less.
- (c) The maximum amount of debt that can be issued is determined by using the available excess revenues to fund a debt service schedule based upon current market conditions.